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Attorneys for IBEW Locals 387, 769, and 1116

BEFORE THE ARIZONA

CORPORATION COMMISSION

IN THE MATTER OF THE
 REORGANIZATION OF UNS
 ENERGY CORPORATION.

Docket No. E-04230A-14-0011
 Docket No. E-01933A-14-0011

**POST-HEARING BRIEF OF IBEW
 LOCALS 387, 769, AND 1116**

Local Unions 387, 769, and 1116, International Brotherhood of Electrical Workers, AFL-CIO ("IBEW Local 387," "IBEW Local 769," and "IBEW Local 1116") (collectively, "the IBEW Locals"), by and through undersigned counsel, hereby submit their post-hearing brief in this docket in support of the proposed merger between the Joint Applicants, UNS Energy Corporation ("UNS Energy") and Fortis Inc. ("Fortis"), according to the terms and conditions as modified and enhanced by the Settlement Agreement dated May 16, 2014. The IBEW Locals have had the opportunity to review a nearly-final draft of the post-hearing brief to be filed by the Joint Applicants and, generally speaking, join in the arguments for approval of the Settlement Agreement and the statement of positions set forth therein. The IBEW Locals submit the instant brief in order to address aspects of the merger and Settlement Agreement in which the IBEW Locals are particularly interested.

The IBEW Locals are signatories to the Settlement Agreement dated May 16, 2014¹ and

¹ Ex. JA-5.

1 support the adoption of the Agreement in its entirety and in its present form. The IBEW Locals
2 participated in the negotiations and the give-and-take exchanges that resulted in this agreement.²

3 In the negotiations, numerous parties were able to raise any issues and concerns they may have
4 had about the proposed acquisition – a process that resulted in the inclusion of several new and
5 enhanced conditions of approval in the Settlement Agreement.³ Indeed, with respect to the
6 IBEW Locals, the Settlement Agreement includes several conditions addressing matters raised by
7 the Locals in connection with their direct testimony.⁴ These enhanced conditions include the
8 following, among other provisions:

9 • **Condition 27:** This condition extends the Joint Applicants’ previous commitment to
10 maintain employment levels at the Arizona Utilities from two (2) to four (4) years. This
11 extension will ensure continuity in staffing and that necessary human resources are maintained to
12 continue to provide safe and reliable services to customers in a post-merger environment.⁵

13 • **Condition 30:** This condition commits the Joint Applicants to, *inter alia*, supporting the
14 Arizona Utilities in “providing safe, reliable service to the Regulated Utilities’ customers” and
15 “providing a safe workplace for employees.” The condition further requires the Arizona Utilities
16 to “continue to engage in workforce planning processes to address workforce needs, such as
17 anticipated retirements, training and other relevant factors.” Such planning will aid the Arizona
18 Utilities in preparing for, and meeting the challenges associated with, such anticipated
19 retirements and other matters.⁶

20 • **Condition 41(ii):** This condition provides, among other things, that the Arizona
21

22 ² Ex. IBEW 2 (Grijalva Settlement) at 1-4.

23 ³ *Id.* at 1.

24 ⁴ See Ex. IBEW 1 (Grijalva Direct).

25 ⁵ Ex. IBEW 2 (Grijalva Settlement) at 3. See also Ex. JA-13 (Hutchens Settlement) at 11
26 (noting that this condition “support[s] the Regulated Utilities’ efforts to maintain or improve
27 customer service and service quality levels”).

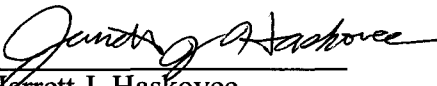
28 ⁶ Ex. IBEW 2 (Grijalva Settlement) at 3-4.

1 Utilities' local management "will continue to make decisions regarding staffing levels and hiring
2 practices" and "will continue to negotiate future collective bargaining agreements." The IBEW
3 Locals submit that, all other things being equal, local managers are more likely to be sensitive to,
4 and in touch with, local concerns and realities and invested in their communities than would be
5 absentee managers living thousands of miles away.⁷

6 The Settlement Agreement was signed by approximately a dozen parties with diverse and
7 often competing interests. This is a remarkable feat in and of itself. On behalf of the represented
8 employees of the Arizona Utilities, the IBEW Locals submit that the merger terms and the
9 enhanced conditions of approval contained in the Settlement Agreement are just, reasonable, and
10 in the public interest. Consequently, the IBEW Locals respectfully urge the approval of the
11 Settlement Agreement in its present form and, ultimately, the proposed merger.

12 RESPECTFULLY SUBMITTED this 9th day of July, 2014.

13 LUBIN & ENOCH, P.C.

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16 Jarrett J. Haskovec

Attorneys for IBEW Locals 387, 769, and 1116

17 Original and thirteen (13) copies
18 of IBEW Locals' Post Hearing Brief
19 filed this 9th day
of July, 2014, with:

20 Arizona Corporation Commission
21 Docket Control Center
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22 Copies of the foregoing
23 transmitted electronically and/or
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28 ⁷ *Id.* at 4.

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